**TESTIMONY OF**

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**SUBMITTED TO THE**

**HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**

**ON**

# PUBLIC TRANSPORTATION, ENERGY INDEPENDENCE & CLIMATE CHANGE

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**SUBMITTED BY**

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**APTA is a nonprofit international association of more than 1,500 public and private member organizations including transit systems and commuter rail operators; planning, design, construction and finance firms; product and service providers; academic institutions; transit associations and state departments of transportation. APTA members serve the public interest by providing safe, efficient and economical transit services and products. More than ninety percent of persons using public transportation in the United States and Canada are served by APTA members.**

## INTRODUCTION

Chairman Oberstar, Ranking Member Mica and members of the committee, on behalf of the American Public Transportation Association (APTA), I thank you for holding today's hearing on the role of transportation and transportation infrastructure in addressing climate change and energy independence. As you may know, the transportation sector is the largest consumer of petroleum in the United States – accounting for 67 percent of America's petroleum consumption and 28 percent of our greenhouse gas (GHG) emissions. If we are serious about reducing America's "addiction to oil" and reducing GHG emissions, then we must also reduce transportation-related petroleum consumption. This will require a multi-pronged approach that must include expanded public transportation use.

As the Congress examines our nation's patterns of energy use, how we could use limited oil resources more efficiently, and how we can reduce GHG emissions, we must recognize the important energy savings that are derived from transit use. Public transportation already reduces gasoline consumption directly by 1.4 billion gallons each year. Giving credit for the contributions that the use of public transportation services makes toward improving the energy efficiency of travel must be a key element of any federal policy. Current law recognizes the consequences that transportation plans and investments have on air quality. Indeed, such integration of air quality goals with transportation planning was one of the hallmark achievements of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). The time has come to recognize similarly the implications of transportation planning and investments on long-term energy use and greenhouse gas emissions.

To realize additional energy savings and the concomitant environmental benefits, we must invest in both public transportation facilities and service expansion. APTA believes that any tax or cap and trade program the Congress authorizes to address energy conservation and climate change should be designed to increase America's travel choices while encouraging energy efficiency by directing a portion of revenues generated to strategic public transportation investments. There are also a number of immediate changes to current federal law that can promote public transportation, and I will detail the proposals later in my testimony. Increasing access to public transportation is clearly needed to create a prosperous, sustainable and strong America. Forty years from now when America's population exceeds 400 million, we will be glad we had the foresight to discuss, plan and invest in the future of public transportation today when it is relatively inexpensive to do so.

## PUBLIC TRANSPORTATION REDUCES PETROLEUM CONSUMPTION AND DIMINISHES GHG EMISSIONS

Earlier this year, a report by ICF International, "Public Transportation and Petroleum Savings in the U.S.: Reducing Dependence on Oil," calculated that public transportation today reduces petroleum consumption by a total of 1.4 billion gallons of gasoline each year. This means:

- 108 million fewer cars filling up – almost 300,000 every day
- 34 fewer supertankers leaving the Middle East – one every 11 days
- over 140,000 fewer tanker truck deliveries to service stations per year

- total savings as great as the entire amount of gasoline consumed in states the size of Utah or New Mexico
- five times greater savings than converting the entire 478,000 federal light duty vehicle fleet to alternative fuels.

These savings are the product of several efficiencies that result from public transportation service: transit carries multiple passengers in each vehicle, traffic congestion is reduced because transit riders do not make additional trips on our roadways, and transit systems do not rely exclusively on petroleum to power their fleets. To calculate the total petroleum savings from transit, ICF examined all of these efficiencies. ICF first looked at how much petroleum would have been used to provide the same amount of passenger travel using automobiles. This is the largest source of petroleum savings: direct savings through the substitution of public transportation trips for automobile trips. This is also an area where future energy savings could be significant. Increasing transit ridership on existing transit systems is almost all savings since there is little additional cost to provide the service and each new rider does not use the fuel they would have otherwise required to operate their automobile.

The second major source of petroleum savings comes from avoiding excess fuel use in congested traffic by replacing automobiles on the roadway with public transportation trips. According to the 2005 Texas Transportation Institute Annual Urban Mobility Report, transit is successfully reducing traffic delays and costs in the 85 major urban areas studied. Without transit, delays in these metropolitan areas would have increased 27 percent, and residents would have lost an additional $18.2 billion in time and fuel as a result of increased congestion. ICF used this research to calculate transit's congestion-related petroleum savings.

The final type of petroleum savings calculated by ICF is the savings from the varied sources of fuel that transit systems use. Transit vehicles that use electric power, including most rail service and some buses, use less petroleum than similar trips would require using private automobiles. All of the savings identified by ICF are based on a conservative analysis, and the savings calculated are the net reduction of the petroleum used to provide transit service.

## INCREASED TRANSIT USE CAN INCREASE PETROLEUM SAVINGS

All of the petroleum savings from public transportation would be multiplied further with increased use of transit relative to the automobile. Cities that have greater access to quality transit use much less energy per capita than auto dependent cities. According to research by urban transportation experts Peter Newman and Jeff Kenworthy, U.S. cities use two and a half times more transportation energy than comparable cities in Europe, and five times more transportation energy than comparable cities in Asia.

Mr. Chairman, Americans clearly want increased transit service and are willing to use public funds to pay for it. In 2006, Americans took 10.1 billion trips on public transportation. This is the highest ridership in 49 years. Transit ridership growth of 30 percent since 1995 is outpacing both the growth of our population – 12 percent – and the growth in the use of the nation's highways – 24 percent – since then. Each weekday, 34 million trips are made on public transportation in our nation. Americans want travel choice, too, and are willing to pay for it. A 2006 Harris Interactive poll showed that 44 percent wanted more commuter trains, 23 percent

wanted more travel by bus, and only 11 percent wanted more travel by car. From 2000 - 2005, voters in 33 states approved ballot measures that authorized more than $70 billion for transit projects. Transportation measures have an amazing 70 percent approval rate with voters -- even when it meant local taxes would be raised or continued. This is more than twice the approval rate voters gave other types of ballot initiatives.

A clear obstacle to increasing public transportation ridership is the lack of access to transit services. Americans can't use what they don't have. Only one in four households has access to adequate public transportation, and about one half have only limited transit service. The federal government needs to partner with state and local governments to expand the availability of transit services across the country. Without new investment in public transportation, the key hubs of the United States' surface transportation system could become so congested that our highway systems will no longer work effectively for large portions of the day and the amount of transportation-related GHG emissions would only continue to increase.

## PRINCIPLES FOR FEDERAL EFFORTS TO REDUCE ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

There are a number of approaches that Congress can employ to systematically reduce energy consumption and reduce greenhouse gas emissions in the U.S. The deployment of new technology, the improvement of fuel efficiency and the promotion of alternative and renewable fuel resources should all be examined, but we must also utilize solutions like increased transit that create mode choice in our transportation system, allowing for growth in non-automotive travel. It also appears likely that some form of carbon/GHG "cap and trade" or other credit program may be needed. Until the details of proposed programs are released, it is difficult to offer specific recommendations, but APTA would like to offer general principles for Congress to consider as it develops new federal programs to encourage energy savings and reduce GHG emissions.

**Principle #1 - Transit use significantly reduces energy consumption and GHG emissions.**

Based on current gasoline savings produced by transit and the potential for even greater savings if transit ridership is increased, significant additional benefits from public transportation can be achieved if transit is recognized as part of any new federal programs. APTA is now doing additional research to quantify the energy and GHG savings captured by communities that utilize transit, and we will share these findings with the committee when they are available this summer.

**Principle #2 - Energy savings and GHG emission reductions from increased transit use are long-term savings.**

When communities invest in public transportation and improve and expand transit service, particularly fixed-guideway transit, they create what is essentially permanent energy and GHG savings. Residents in the Boston and New York City metropolitan areas still benefit from investment decisions made over a century ago when their initial segments of subway were built.

**Principle #3 - Public entities, like transit agencies, that directly produce energy savings and reduce GHG emissions should be eligible to receive revenues generated from any carbon tax scheme or "cap and trade" program.**

Depending on the type of program adopted by Congress, there are a number of ways to compensate public transportation providers for the energy savings and GHG emission reductions they produce, but transit agencies should be eligible to receive revenues both from any program that attempts to limit stationary source emissions and any program that addresses transportation-related emissions. For example, regulated private entities that cannot meet GHG reduction mandates could, as an offset, invest private funding in transit. Similarly, credits in a "cap and trade" program could be given for reduced vehicle miles traveled (vmt) that is attributable to efficient community design (i.e. vmt that never happens or "the trip not taken").

**Principle #4 - Energy conservation and greenhouse gas emission reduction should be factors in transportation and land-use planning.**

The federal government should encourage state and local governments to coordinate transportation and land-use planning. When communities link land-use decisions with transportation decisions, thus making transit a more effective option, communities not only increase transportation choices, they also significantly reduce their amount of transportation-related energy consumption. The adoption of efficient community design polices (transit-oriented development, increased transit service, pedestrian and bicycle improvements) creates long-term energy savings and GHG emission reductions. Current law recognizes the consequences that transportation plans and investments have on air quality. The time has come to recognize similarly the implications of transportation planning and investments on long-term energy use and greenhouse gas emissions.

**Principle #5 – New investments in the energy efficiency of transit vehicles increase the already substantial energy and GHG emission savings from transit.**

As transit agencies continue to deploy hybrid and alternative fuel technologies in their bus fleets, the energy savings and GHG reductions from transit service will continue to increase. To capture these savings though, the extra cost of new technologies must be paid for by new funding sources. When transit agencies must use their existing capital funds to purchase hybrid and alternative fuel buses, the extra up-front costs can result in agencies purchasing fewer buses, which is counterproductive to the need to expand transit service. Also of interest, improvements in transit vehicle energy efficiency do not suffer from the "rebound effect," the phenomenon in which an increase in the fuel efficiency of passenger vehicles reduces fuels costs for driver, thus encouraging a counterproductive increase in driving.

## APTA RECOMMENDATIONS – IMMEDIATE LEGISLATIVE CHANGES

APTA realizes that systematic change will take time, but there are immediate legislative steps that Congress can take to promote public transportation use. I would like to offer the following proposals to this committee:

APTA Recommendations – Immediate Legislative Changes:

- Amend tax law to make commuter benefits for public transportation equal to those provided for parking. Federal law should provide at least the same tax incentives for transit as that provided for parking.
- A similar step would be to provide a tax credit to employers who pay for transit commute costs, thus encouraging even more commuters to switch to public transportation.
- Make transit agencies eligible for federal incentives to invest in "green technology" at facilities if such incentives are provided to federal, state and local agencies. These incentives would not only reduce greenhouse gas emissions, but would likely reduce the cost of such technology as competition for products increases and research and development costs are spread over an expanding market.
- Require federal facilities to be located in places where public transportation is readily accessible. To do otherwise is to perpetuate an energy-intensive system that does not offer transportation choices or alternatives.
- Increase federal support for transit agencies to purchase buses that utilize new technology to conserve fuel and reduce emissions. The administration's Fiscal Year (FY) 2008 budget proposal would waive the local share on the incremental cost of purchasing hybrid buses. While APTA appreciates this gesture, the waiver would actually reduce the total number of buses purchased since existing federal transit funds would be substituted for the non-federal share. A better incentive would be to offer new federal grants that are in addition to existing grant programs to pay for the cost of implementing hybrid and alternative fuel technology. No local share on these new grants should be required.
- Extend the tax credits created by the Energy Policy Act of 2005 (P.L. 109-58) for the purchase of alternative fuel vehicles, fuel cell vehicles and hybrids and extend the credits for the construction of alternative fuel vehicle refueling facilities. These incentives are set to expire on various dates beginning in 2009, and they need to be renewed.
- Extend the volumetric excise tax credits created by the Safe, Accountable, Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU, P.L. 109-59) for alternative fuels and alternative fuel mixtures. These credits allow more transit agencies to utilize alternative fuel vehicles, but the credits are set to expire in 2009.

## CONCLUSION

APTA hopes that Congress will choose to encourage greater public transportation use as an important policy option to address energy independence and reduce emissions on par with other strategies such as increasing automotive fuel efficiency, developing new energy technologies, and maximizing renewable U.S. energy resources. Mr. Chairman, on behalf of APTA's more than 1500 member organizations, I thank you for this opportunity to express our views.